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October 23, 19\$7

EXPORT CONTROL LIBERALIZATION FOR CHINA

- Have you had any reaction from China to the postponement of Q: export control liberalization for the PRC?
- A: NO.
- What impact is this action likely to have on US-China 0:
- WE DO NOT EXPECT THIS ACTION TO HAVE SIGNIFICANT IMPACT A: THE BROAD TREND OF U.S.-CHINA RELATIONS. AS I SAID YESTERDAY, WE HAVE BEEN GRADUALLY LIBERALIZING OUR CONTROL ON HIGH-TECH EXPORTS TO THE PRC OVER THE YEARS AND WE REMAIN COMMITTED TO CONTINUING THIS PROCESS. THE PACE OF EXPORT CONTROL LIBERALIZATION HAS VARIED OVER THE YEARS, 18/PPC/CD AND A PAUSE SUCH AS THIS IS NOT UNUSUAL.
- How will this decision affect U.S. high tech exports to 0:
- WE DO NOT FORESEE SUBSTANTIAL IMPACT ON U.S. HIGH TECH A: EXPORTS TO CHINA. A LARGE PART OF OUR LIBERALIZATION 5 EFFORTS OVER THE YEARS HAS CONSISTED IN SIMPLIFYING AND SPEEDING UP THE PROCESSING OF LICENSES FOR HIGH-TECH EXPORTS TO CHINA. THIS POSTPONEMENT OF LIBERALIZATION WILL PRIMARILY AFFECT HOW QUICKLY ITEMS GET APPROVED, NOT WHETHER OR NOT THEY ARE APPROVED. ITEMS THAT WE HAVE BEEN APPROVING FOR CHINA WILL CONTINUE TO BE APPROVED.

EAP/CM:HALevine X6796 Draft:

5110A

Clear:

EAP: RWilliams, Acting

EB/EWT: RPrice

T/ST:TPapendorp (subs)



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